



Recommendation for Action

File #: 21-1065, **Agenda Item #:** 3.

2/4/2021

Posting Language

Authorize the negotiation and execution of a thirty-six-month lease agreement with 726 LLC for a 6.685 acre portion of the property located at 8405 N. Lamar Blvd. more particularly described as Lot 3-B Amended Plat of Re-subdivision of Lot 3 CBP Commercial Subdivision, a subdivision recorded in Volume 87, Page 179A of the Plat Records of Travis County, Texas; and Lots 4 & 5, CBP Commercial Subdivision, a subdivision recorded in Volume 84, Page 109C of the Plat Records of Travis County, Texas for a temporary construction laydown yard to support major electric transmission projects in an amount not to exceed \$769,212, with two, 12-month extension options, in the amount of \$266,736 and \$272,064 respectively, for a total amount not to exceed \$1,308,012.

Lead Department

Austin Energy

Fiscal Note

Funding in the amount of \$769,212 is available in the Fiscal Year 2020-2021 Capital Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

For More Information:

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Council Committee, Boards and Commission Action:

January 11, 2021 - Recommended by the Electric Utility Commission on a vote of 9-0, with Commissioner Stone off the dais and Commissioner Wray absent.

Additional Backup Information:

The laydown yard will be utilized for the storage of material and equipment for the major transmission project that is planned in the north-central area of Austin Energy's electrical transmission and distribution system. The laydown yard must be permitted for use prior to receipt of material and equipment in order to support a projected construction start in late 2021 and therefore a timely implementation of the lease is imperative. The site is located on the east side of N. Lamar Blvd, north of Hwy 183. The tract will provide suitable access and paved area to store the equipment and materials needed to complete the work.

The project is described as an upgrade of the existing 4.0-mile McNeil-Justin Lane 69-kV transmission line (Ckt 811) with bundled 795 ACSS Drake conductor rated for 3000 amps. Additionally, the transmission line will be reinsulated and make-ready for ultimate operation at 138 kV. The project also employs the upgrade of easements as necessary to ensure that this line can be operated and maintained in a safe and efficient manner.

One of the long-term goals of Austin Energy is to convert the last remaining portions of the 69-kV network to 138 kV operation. The existing 69 kV system in the downtown area, which supports approximately 305 MW of peak load, is supplied from four 138/69 kV 220 MVA autotransformers. These autotransformers are located at the McNeil, Northland, Kingsbery, and Pedernales substations.

Delaying this project could threaten service reliability in the downtown area which could be seriously jeopardized if one of these four autotransformers fails and is unavailable for an extended period of time while a replacement unit is being secured. This risk is particularly evident in the case of the Northland autotransformer, as based on planning studies performed using the 2019 Summer Peak scenarios that could load the McNeil-Justin Lane 69 kV transmission line (Ckt 811) to 154 percent of its 120 MVA thermal limit.

The overall cost for this project is approximately \$11,936,000, which was approved in previous Austin Energy CIP budget requests. The laydown yard is strategically located to effectively support the construction staging and storage needs for each of these projects.

Strategic Outcome(s):

Government that Works for All